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June 9, 2006

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VIA HAND DELIVERY

The Honorable Charles L.A. Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Application of United Utility Companies, Inc. for adjustment of rates and charges and modifications to certain terms and conditions for the provision of water and sewer service; Docket No. 2006-107-WS

Dear Mr. Terreni:

Enclosed for filing please find the original and ten (10) copies of Applicant's Answer to Petition to Intervene of Lake Trollingwood, Inc. and Motion to Dismiss Petition to Intervene in the above-referenced matter.

By copy of this letter, I am serving counsel for all parties of record with a copy of same and enclose a certificate of service to that effect.

I would appreciate your acknowledging receipt of this document by date-stamping the extra copy that is enclosed and returning it to me via my courier. If you have any questions or if you need any additional information, please do not hesitate to contact us.

Sincerely,

WILLOUGHBY & HOEFER, P.A.



Benjamin P. Mustian

BPM/amw

Enclosures

cc: Shannon B. Hudson, Esquire
Nanette S. Edwards, Esquire
Duke K. McCall, Jr., Esquire
Newton Horr
Jacqueline H. Patterson, Esquire

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2006-107-WS

2006 JUN -9 PM 2:11
COMMUNICATIONS SECTION
PUBLIC SERVICE COMMISSION

IN RE:)
)
Application of United Utility Companies,)
Inc. for adjustment of rates and charges)
and modifications to certain terms)
and conditions for the provision of)
water and sewer service.)
_____)

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day one (1) copy of **Applicant's Answer to Petition to Intervene of Lake Trollingwood, Inc. and Motion to Dismiss Petition to Intervene** by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

Shannon B. Hudson, Esquire
Nanette S. Edwards, Esquire
Office of Regulatory Staff
1441 Main Street, 3rd Floor
Columbia, South Carolina 29201

Duke K. McCall, Jr. Esquire
Leatherwood Walker Todd & Mann, P.C.
Post Office Box 87
Greenville, SC 29602

Jacqueline H. Patterson, Esquire
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1225 South Church Street
Greenville, SC 292605

Newton Horr
131 Greybridge Road
Pelzer, SC 29669

Andrea M Wright
Andrea M. Wright

Columbia, South Carolina
This 9th day of June, 2006.

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2006-107-W/S

IN RE:

Application of United Utility Companies,
Inc. for adjustment of rates and charges
and modification to certain terms
and conditions for the provision of
water and sewer service.

**ANSWER OF UUC TO PETITION TO
INTERVENE OF LAKE
TROLLINGWOOD INC.**

SC PUBLIC SERVICE COMMISSION
DOCKET NO. 2006-107-W/S
FILED
MAY 22 2006
COLUMBIA, SC

Applicant, United Utility Companies, Inc. ("UUC" or "Company"), pursuant to 26 S.C. Code Ann. Regs. R. 103-837 (1976), hereby answers the allegations contained in the May 22, 2006, Petition of Lake Trollingwood, Inc. to Intervene ("Petition") filed with the Commission in the above-captioned matter as follows:

ANSWER

FOR A FIRST DEFENSE

1. Each and every allegation of the Petition not hereinafter specifically admitted is denied.

FOR A SECOND DEFENSE

2. UUC admits the allegations of Paragraph 1 of the Petition upon information and belief.

3. Concerning the allegations of Paragraph 2, UUC denies that Lake Trollingwood, Inc. ("Lake Trollingwood") is a customer of UUC in South Carolina and demands strict proof thereof.

UUC asserts that Lake Trollingwood is not a direct customer of UUC, but rather represents the homeowner customers of the Lake Trollingwood subdivision. Further, UUC states that, as of September 30, 2005, it served over ninety water customers and over one thousand eight hundred wastewater customers in South Carolina.

4. UUC admits the allegation of Paragraph 3 of the Petition upon information and belief.

5. UUC denies the allegations of Paragraph 4 and demands strict proof thereof. UUC asserts that Lake Trollingwood is not a direct customer of UUC, but rather is an association of homeowners whose members are customers of UUC. UUC also states that Lake Trollingwood's position as former owner of the wastewater treatment plant currently owned by UUC does not afford it a sufficient interest to intervene in this action.

6. Concerning the allegations of Paragraph 5 stating that the Commission must balance competing interests of the financial integrity of utilities and the consumer, UUC asserts S.C. Code Ann. § 58-5-240(B) requires the Commission to hold a public hearing on the lawfulness or reasonableness of the proposed changes in rates. UUC further states that the Office of Regulatory Staff, as a statutorily designated party of record in proceedings before the Commission, has the responsibility to represent the public interest including 1) balancing the concerns of the using and consuming public with respect to public utility services class of customer (2) economic development and job attraction and retention in South Carolina; and (3) preservation of the financial integrity of the state's public utilities, pursuant to S.C. Code Ann. 58-4-10(B). UUC denies that the proposed rates are a "shock" rate to its customers. To the extent that any allegation in this paragraph remains unanswered, the same is denied.

7. UUC denies the allegations of Paragraph 6 and demands strict proof thereof.

8. Paragraph 7 does not appear to require a response from UUC; however, to the extent that these sentences can be read to require a response, same are denied. UUC would further note that these modifications have been accepted by the Commission in other dockets involving other public utilities as being consistent with the statute law of South Carolina.

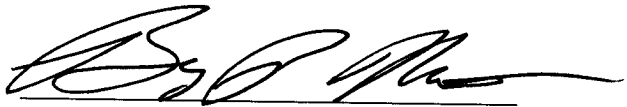
9. The allegations contained in the first sentence of Paragraph 8 do not appear to require a response from UUC; however, to the extent that this sentence can be read to require a response, same is denied. UUC denies that the proposed rates will work an undue hardship on NGU and the other customers of UUC. UUC admits that the Commission is responsible to hold a public hearing on the lawfulness and reasonableness of the proposed rates and to determine the same. UUC denies that the proposed rates are neither fair nor reasonable. To the extent that any allegation in this paragraph remains unanswered, the same is denied.

FOR A FIRST AFFIRMATIVE DEFENSE

10. The instant Petition is improperly before the Commission as it was filed by Mr. Newton Horr, the president of Lake Trollingwood, Inc. on behalf of Lake Trollingwood. Mr. Horr is not a licensed attorney in South Carolina as required by 26 S.C. Code Ann. Regs. R. 103-804(S)(1), Rule 410(d) SCACR, and previous Commission rulings. Therefore, the Petition to Intervene filed on behalf of the Association is improper.

WHEREFORE, having fully set forth its Answer, UUC requests that the Commission issue an order in response to the Petition of GTSC that is consistent with the foregoing.

[SIGNATURE PAGE FOLLOWS]



John M.S. Hoefer

Benjamin P. Mustian

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803-252-3300

Attorneys for Applicant

Columbia, South Carolina
This 9th day of June, 2006